



September 6, 2022
Via Electronic Filing

Oregon Public Utility Commission
201 High St. SE, Suite 100
Salem, OR 97301-3398

Re: OPUC Docket UM 2225- Comments on HB 2021 Straw Proposal on Roadmap
Acknowledgement: GHG Accounting and Reporting

The Green Energy Institute at Lewis & Clark Law School, Climate Solutions, and Metro Climate Action Team appreciate the opportunity to offer additional comments regarding greenhouse gas (GHG) accounting and reporting. Specifically, we offer recommendations for treatment of Renewable Energy Credits (RECs) and west-wide emissions tracking. Both of these issues touch on various elements of the HB 2021 Straw Proposal on Roadmap Acknowledgement, fitting most squarely in the following sections: topic 4 (Greenhouse Gas Reporting, Verification, and Compliance in Planning), topic 5 (Continual Progress), topic 6 (Considerations of CEP Acknowledgement), and topic 8 (Annual Update).

I. Renewable Energy Credits (RECs) Should be Retired When the Associated Energy is Used for Compliance with HB 2021

We recognize that two alternative interpretations of HB 2021 have been offered over the course of these workshops—one which interprets the law to require electricity *delivered* to customers be emissions-free and one which interprets the law to require electricity *generated* be emissions-free. We think the wisest interpretation that most closely hews to the language of the statute and the purpose behind it is one which eliminates emissions associated with *delivery* of electricity to customers. Either way, the PUC must consider how to quickly and efficiently encourage the phase-out of fossil-fueled electricity to ensure Oregon customers receive nonemitting generation *and* the related environmental benefits as the law intended. As a result, the PUC should require that qualifying electricity used for compliance with HB 2021 include retirement of the associated REC.

Requiring retirement of associated RECs is most consistent with the language and purpose of the statute. A key policy statement in the law directs that “retail electricity providers rely on nonemitting electricity in accordance with the clean energy targets set forth in section 3 of the 2021 Act and eliminate greenhouse gas emissions associated with serving Oregon retail electricity consumers by 2040.”¹ The PUC has discretion in how it implements this policy, but in order to acknowledge the IOUs’ clean energy plans, the plan must be “in the public interest and

¹ H.B. 2021 § 2(1).

consistent with the clean energy targets set forth in section 3[.]”² The “public interest” includes GHG emissions reductions “and any related environmental or health benefits,” and “any other relevant factors as determined by the commission.”³ Given this ample authority, and guided by the purpose and policy behind the law, the PUC should not permit electricity providers to use their delivery of zero emissions power to customers in Oregon to comply with HB 2021, while they sell RECs representing the same generation to a buyer in another state. This type of double-counting allows the REC buyers to continue using fossil-fueled electricity.

In short, the PUC can and should avoid introducing climate policy asymmetry in the region by clarifying treatment of RECs under HB 2021. Western states should apply REC accounting principles that complement other surrounding state policies that will serve the region for decades to come. Any entity relying on emissions-free renewable electricity to serve Oregon customers must retire the associated REC.⁴

II. West-Wide GHG Accounting

The unresolved REC issue referenced above brings into sharp focus a broader need for robust west-wide GHG accounting mechanisms. The mandates and targets stipulated in HB 2021 are limited to retail electricity delivered by IOUs and Electricity Service Suppliers. Other forms of retail and wholesale electricity delivered in Oregon and out of state fall outside the statute’s purview. In July of this year Energy Facility Siting Council adopted new rules limiting, but still allowing, the operation of new or expanded fossil fuel generated power facilities. PacifiCorp and PGE have indicated they will likely continue to operate gas powered facilities in Oregon in the near term.

There are several reasons that west-wide GHG accounting is necessary: (1) continued operation of gas powered generating facilities in Oregon is likely, and therefore tracking and reporting the resultant GHGs is in the spirit of disclosure embodied in HB 2021; (2) stakeholders should know if utilities are ‘offloading’ GHG emissions through delivery of fossil fuel generated electricity to other states or users outside of HB 2021’s purview; and (3) our communities in Oregon living near fossil fueled power plants have a right to know how and when those facilities are operating and who is benefitting.

The CEP is the logical mechanism for disclosure of this information. We can consider these ‘value chain emissions,’ which are required to be reported by many public and private GHG reporting protocols. Decarbonizing our state means at a minimum understanding the ‘reach’ of GHG emissions for which Oregon regulated utilities are responsible. We do not make any specific recommendations on whether modeling is required, but we do strongly urge OPUC to require reporting for all GHG emissions resulting from electricity delivered in Oregon and to any

² H.B. 2021 § 5(2).

³ H.B. 2021 § 5(2)(a), (f).

⁴ We understand that this point in the docket may not be the ideal place to raise this issue, and that a more complete analysis of the law may need to be undertaken. Nevertheless, we urge the PUC to address how it intends to treat RECs to assure complete clarity on the agency’s perspective.

states within the WECC. OPUC's existing authority is sufficient to implement these requirements.⁵

III. Conclusion

In finalizing proposals on roadmap acknowledgement, and in particular GHG emissions reporting, verification and compliance, we hope that Staff will consider our recommendations. Thank you for the opportunity to be a part of this process.

Respectfully submitted,

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⁵ H.B. 2021 § 5(2)(a), (f).